Private companies/corporations in power distribution

2159. SHRI DINA NATH MISHRA: Will the Minister of POWER be pleased to state:

(a) how many State Governments have since introduced power sector reforms and distribution of electricity is being managed by new companies/ corporations;

(b) how many of these new companies/corporations have started earning profits or have reached break-even;

(c) the Revenue Receipts of these companies during last 12 months and how does these compare with the Receipts of same period in the previous years; and

(d) the remedies available to the consumer for redressal of grievance related with deficiency in service against these private companies or corporations etc.?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) There is a general consensus among all States on the need for power sector reforms. In the Conference of Chief Ministers/Power Ministers held in March 2001. It was agreed that there is an urgent need to depoliticise power sector reforms and speed up their implementation. It was also recognized that the real challenge of reforms lies in distribution sector and that commercial viability has to be achieved in distribution through any or all of the following:

— Creating Profit Centres with full accountability.

— Handing over of local distribution to Panchayats/Local Bodies/ Franchisees/Users Associations, wherever necessary.

— Privatisation of distribution.

— Or any other means.

Eight States (Orissa, Haryana, Andhra Pradesh, Uttar Pradesh, Karnataka, Rajasthan, Madhya Pradesh and Delhi) have undertaken reforms by enacting their own Reform Laws which provide, *inter-alia*, for unbunding/corporatisation of SEBs. Distribution has been privatized in Orissa and Delhi.

The reform measures including unbundling of SEBs, were undertaken by these States at a time when the financial health of the sector was very

poor. The corporations/companies created as a result of reorganization of SEBs have shown improvements on various fronts including metering supply of electricity, increase in billing and collection efficiency etc.

The distribution in Orissa was privatized in 1999 when the Transmission and Distribution (T&D) losses were very high, the billing and collection efficiency was very poor, the status of metering was not encouraging. Consequent on privatisation of distribution, signs of improvement on these and other operational levels are visible. The process of restructuring of electricity industry including privatisation of distribution in Orissa was reviewed by the State Government and it was decided that the upvaluation of the assets of the erstwhile State Electricity Board (SEB) may be kept in abeyance as it was resulting in increase in the cost of power and making it difficult for the sector to achieve commercial viability.

In Delhi distribution has been privatized recently in July, 2002. Prior to privatisation the Aggregate Technical and Commercial (AT&C) loss levels as approved by the Delhi Electricity Regulatory Commission (DERC) for the 3 distribution zones taken together were at 50.7%. It is too early to assess the performance of these private companies in Delhi.

(d) As per the Electricity Regulatory Commissions Act, 1998, the Regulatory Commissions have the mandate to *inter-alia*, safeguard the interest of the consumers. The Electricity Bill, 2001 which has been introduced in Lok Sabha and is presently under consideration by the Standing Committee on Energy makes specific provisions on consumer protection, empowering the Regulatory Commissions to specify performance standards of distribution licensees. Failure to meet the standards makes the licensees liable for payment of compensation to the affected person.

Thermal and hydel power projects under construction

2160. SHRI SURESH PACHOURI: Will the Minister of POWER be pleased to state:

(a) the details of the thermal and hydel power projects under construction in the country, State-wise;

(b) the target fixed for their completion;

(c) how many projects are on schedule; and